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EU-27 Fishery Products EU Fishery Marketing Report 2008

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Report Highlights:

The EU depends more than ever on imports from third countries to meet its fish demand. Import volumes increased by a quarter over the past 5 years and almost all product groups benefitted from this trend.

Includes PSD Changes: No Includes Trade Matrix: No Annual Report The Hague [NL1] [NL]

Executive Summary

The volume of fish, the sum of fish catches and aquaculture generated by the individual EU Member States, is estimated to be 6.6 million MT for 2007, with Spain, Denmark, France, the UK and the Netherlands as the leading countries. Fish catches contribute almost 80% to the total EU volume, and aquaculture accounts for the remaining, or 1.3 million MT. The consumption of fish in the EU is estimated to be around 10 million MT and demand is expected to continue to go up.

The EU is a net importer of fish products and the trade deficit continues to grow. The EU depends more than ever on imports to meet its fish demand. EU import volumes from third countries increased by a quarter over the past 5 years. Norway remains the largest supplier of fish. China has become the second largest supplier. The third and fourth largest suppliers are the U.S. and Iceland, respectively. The most important product group, in terms of volume, the EU imports from third countries is frozen fish fillets, mainly Alaska pollack, pangasius and cod. The second and third largest product groups are frozen shrimp and prawns and tuna and skipjack, respectively.

The U.S. is the third largest supplier of fish to the EU. U.S. export volumes grew by almost 20% over the past 5 years. In terms of value, exports doubled to over 1 billion dollars. Roughly half of U.S. fish export is Alaska pollack. Cod and surimi together represent another 20% of U.S. exports to the EU.

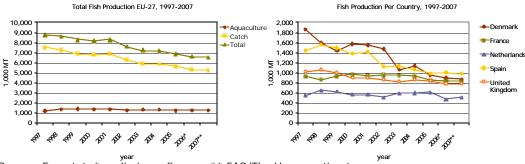
Growth markets within the EU continue to be frozen fillets of e.g. Alaska pollack, cod, pangasius, monkfish and haddock. Imports of halibut, mollusks, scallops, lobsters, Sockeye salmon, anchovies and dried fish have also gone up considerably, although these products represent a smaller market within the EU. Finally, demand gradually increased for prepared and preserved fish like surimi, shrimp, prawns, caviar and caviar substitutes.

This report is the result of collaboration with other FAS colleagues. We recommend that the report is read in conjunction with the EU Fisheries Policy Report, written by the US Mission to the EU in Brussels, Belgium – Gain Report Number E48029. This report can be downloaded from http://www.fas.usda.gov/scriptsw/attacherep/default.asp.

I. Fish Catches and Aquaculture

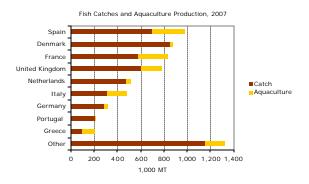
The volume of fish, the sum of fish catches and aquaculture generated by the individual EU Member States, is estimated to be 6.6 million MT for 2007. Over the past decade, the volume went down by roughly a quarter, mainly due to decreasing catch limits¹.

Within the EU, the top 5 largest generators of fish continue to be Spain, Denmark, France, the UK and the Netherlands. They together represent an estimated 60% of the generated volume, although their market share is slightly decreasing, especially for Denmark and Spain.



Source: Eurostat, * preliminary figures, ** FAS/The Hague estimates

Fish catches contribute almost 80% to the total EU fish volume. The five main fish species, in volume, are Atlantic herring, European sprat, blue whiting, sandeels and Atlantic mackerel. The North-East Atlantic fishing region continues to be the main region for catching fish. As the stock for many fish species is below the safe biological limits, catch limits are put in place. Further development of the Common Fisheries Policy will determine future fish catches by EU member states.



The contribution of aquaculture has grown slowly to around 1.3 million MT, or over 20% of total EU seafood volume². The aquaculture sector can be split up into the fin fish sector (trout, salmon, carp, sea bream, etc.) and shell fish sector (mussel, oyster, etc.), with equal volume figures. Industry contacts indicate that the production of fin fish, especially sea bream, sea bass, cod and northern blue fin tuna, will continue to grow. Growth will mainly come from the Mediterranean countries (sea bream and sea bass). EU

shell fish production is expected to remain stable. Future aquaculture production will heavily depend on new aquaculture production sites and licenses, fish feed prices, environmental issues and the development of technology.

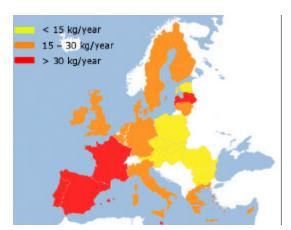
¹ EU Common Fisheries Policy's (CFP) Total Allowable Catches (TACs) are described in GAIN report E 48029

²Appendix 2

II. Consumption

EU pelagic fish (e.g. herring and mackerel), which is considered to be a lower value fish, is not only consumed in Europe but large volumes are also exported to several countries in Africa. The lower value demersal fish species (e.g. Alaska pollock) are very popular by food processing companies that target the mainstream retail market. The higher value demersal fish species (e.g. sole) are traditionally used by restaurants and can increasingly also be seen as a component in ready-to-cook meals in upscale retail markets.

The combined population of all 27 member countries has been estimated at almost 500 million. Appendix 3 shows that the average per capita consumption of fish in the EU is around 22 kg per year³ which results in a total consumption within the EU of almost 11 million MT.



There are huge differences between the various MS. The lowest per capita consumption of fish, up to 15 kg per year, can be found in the Central and Eastern European Member States. The North West European Member States show average consumption figures between 15 and 30 kg of fish per year whereas people in Southern European countries eat more fish. In Portugal and Spain, the per capita consumption of fishis 60 and 40 kg per year, respectively.

Demand for fish in the EU is expected to continue to go up. The most important drivers are considered to be the predominance of large food retail chains, which result in greater availability of various seafood products, and growing demand by consumers for healthy and safe animal protein products, since fish has a healthy image. Finally the slightly growing EU population and the improvement of economic conditions in some new EU Member States add to a growing demand.

III. Trade

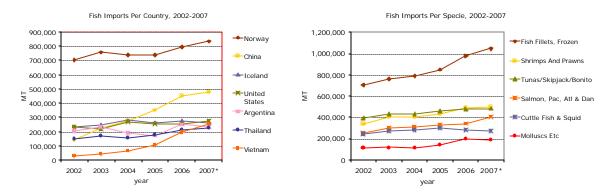
The EU is a net importer of fish products. Between 2002 and 2007, the EU's trade deficit grew by roughly a third in volume, from 2.5 million to 3.5 million MT. The EU depends more than ever on imports to meet its fish demand.

The 27 EU Member States imported last year an estimated 8.9 million MT of fish. Spain, France, Italy, Germany and the Netherlands were the largest importers. Over 5.0 million MT were imports from third countries, the remaining being intra EU trade. EU import volumes from third countries increased by a quarter over the past 5 years⁴. Neighboring Norway remains the largest supplier of fish with an estimated market share for 2007 of 9.4% (of total EU imports, including intra EU). China has become the second largest supplier with exports that more than tripled over the past 5 years. Individual import market shares of other main suppliers like the U.S., Iceland, Argentina and Thailand have been stable at around 3%. Exports from Vietnam grew enormously from 32,000 MT in 2002 to an estimated 256,000 MT in 2007, and Vietnam is now the fifth largest supplier of fish to the EU. Ecuador and Peru were able to double their market share over the

³ Appendix 3

⁴ Appendix 4

same period. The once leading suppliers Russia and the Faroe Islands were not able to benefit from the EU's growing deficit. In terms of value the increase of EU fish imports grew at a much faster paœ, due to rising seafood prices⁵. Average import prices grew by 50% over the past 5 years.



Source: Global Trade Atlas, *FAS/The Hague

The most important product group, in terms of volume, the EU imports from third countries is frozen fish fillets, mainly Alaska pollack, pangasius and cod ⁶. Main suppliers include China, Vietnam and the U.S. EU imports of pangasius from Vietnam grew enormously, making Vietnam the second largest supplier of frozen fish fillets to the EU. China and the U.S. continue to be the leading suppliers of Alaska pollack while the majority of cod comes from China, Iceland, Russia and Norway.

The second largest product group is frozen shrimp and prawns, with Greenland, Ecuador, India, China, Brazil and Argentina as the main supplying countries. Ecuador, Thailand and Seychelles are the leading supplying countries of the third largest product group, prepared and preserved tuna and skipjack. Norway continues to be the main supplier by far of farmed salmon, the fourth largest product group. Finally, squid and cuttlefish are supplied by India, Falkland Islands, Thailand, China and Morocco.

IV. Opportunities

The U.S. is the third largest supplier of fish to the EU. U.S. export volumes grew by almost 20% over the past 5 years⁷. In terms of value, e xports doubled to over 1 billion dollars. Roughly half of U.S. fish exports is Alaska pollack. Cod and surimi together represent another 20% of U.S. exports to the EU. Other noteworthy products include hake, mackerel, salmon, cuttlefish, squid, lobster and scallops.

EU imports of almost all fish species continue to grow as a result of growing demand and declining EU production. Within the big bulk of frozen fish fillets, imports of Alaska pollack, cod, pangasius, monkfish and haddock have demonstrated the strongest growth.

EU imports of shrimp, prawns and farmed salmon grow annually by approximately 10%. Imports of halibut, mollusks, scallops, lobsters, Sockeye salmon, anchovies and dried fish have also gone up, although these products represent a smaller market within the EU. Finally, EU demand for prepared and preserved fish like surimi, shrimp, prawns, caviar and caviar substitutes gradually increased.

⁶ Appendix 6

⁵ Appendix 5

⁷ Appendix 7

V. Marketing

Seafood tradeshows

Participating at seafood tradeshows has demonstrated itself to be an effective tool in U.S. companies' desire to expand their international business. The following tradeshows are considered the most important international seafood trade shows attracting international buyers.

- The International Boston Seafood Show Boston Convention and Exhibition Center, Boston, Massachusetts, U.S.A. www.bostonseafood.com

The International Boston Seafood Show, which is held in Boston, attracts not only domestic buyers but also overseas' buyers through, among others, the Buyers Mission, organized by the U.S. seafood cooperators.

- European Seafood Exposition (ESE) Parc Des Expositions, Brussels, Belgium www.euroseafood.com

The largest international seafood tradeshow is ESE, annually held in Belgium. This show is endorsed by the USDA's Foreign Agricultural Service, which means that FAS/Washington works with the show organizer to create a U.S. pavilion. The seafood cooperators, listed below, are represented at ESE. Please go the following website for a complete overview of all USDA endorsed tradeshows, http://www.fas.usda.gov/agx/trade_events/Tradeshowcalendar2008_2009.pdf.

U.S. Seafood Cooperators represented at ESE 2008

Alaska Seafood Marketing Institute (ASMI) 311 N. Franklin Street

Suite 200

Juneau, Alaska 99801-1147, USA

Phone: (800) 478-2903 Phone: (907) 465-5560 Fax: (907) 465-5572 Info@AlaskaSeafood.org www.alaskaseafood.org

Southern U.S. Trade Association (SUSTA)

2 Canal Street Suite 2515

New Orleans, Louisiana 70130, USA Phone: (504) 568-5986

Fax: (504) 568-6010 susta@susta.org www.susta.org Food Export USA - Seafood Program Office

Colleen Coyne

Seafood Program Coordinator

25 Fairway Circle

Hope Valley, Rhode Island 02832, USA

Phone: (401) 491-9017 Fax: (401) 491-4104 ccoyne@foodexportusa.org www.foodexportusa.org

Western U.S. Agricultural Trade Association

(WUSATA)

4601 NE 77th Ave., Suite 120 Vancouver, Washington, USA 98662

Phone: (360) 693-3373 Fax: (360) 693-3464 www.wusata.org

More specific marketing information on Member State level can be obtained by contacting the individual FAS offices with the EU. They are also in a better position to provide you with listings of fishery products importers. Their contact details can de found at http://www.fas.usda.gov/scriptsw/fasfield/ovs_directory_search.asp.

The U.S. Department of Commerce at the U.S. Mission to the EU has written a report on how to export seafood to the EU. Given the complexity of the EU legislation, this report provides an overview of key E.U. Legislation governing trade in fish products. For more information, contact Stephane Vrignaud at:

Tel: +322-508-2842 Fax: +322-513-1228

Stephane.vrignaud@mail.doc.gov

Please find below an overview of the Fishery Products reports from FAS posts within the EU as of January 2007. These and other reports, such as FAIRS, Exporter Guides, HRI and Food Retail reports, can be downloaded from the following FAS website:

http://www.fas.usda.gov/scriptsw/attacherep/default.asp

Country	Title	Date Report	Number
EU	Annual Report	03/28/2008	E48029
Sweden	Sweden imposes new legislation to stop overfishing	02/15/2008	SW8001
Norway	Annual	10/16/2007	NO7006
Bulgaria	Bulgarian Fish Imports Update	08/20/2007	BU7008
Poland	Update	06/28/2007	PL7035
Czech Republic	Fish and Seafood Market Brief	04/26/2007	EZ7004
EU	Annual Report	01/30/2007	E47006
Spain	Report	01/11/2007	SP6037
Italy	Report	10/24/2006	IT6040
Portugal	Annual	10/24/2006	PO6013
Denmark	Annual	10/11/2006	DA6011
France	Annual	10/11/2006	FR6054
Norway	Annual	10/06/2006	NO6007
Germany	Fishery Products	10/03/2006	GM6037
United Kingdom	Annual	09/27/2006	UK6032
Italy	Annual	04/18/2006	IT6021
EU	Annual Report	02/01/2006	E36013
Norway	Hard Times for Norwegian Salmon	01/24/2006	NO6001

Appendix 1: Volume, Fish Catch, EU countries, 1,000 MT

	2002	2003	2004	2005	2006*	2007**
1 Austria	0	0	0	0	0	0
2 Belgium	29	27	27	25	23	22
3 Bulgaria	15	12	8	5	8	10
4 Cyprus	2	2	2	2	2	2
5 Czech Republic	5	5	5	4	5	4
6 Denmark	1,442	1,031	1,090	911	868	850
7 Estonia	101	79	88	100	87	90
8 Finland	146	122	135	132	146	140
9 France	704	709	671	595	583	575
10 Germany	224	261	262	286	279	285
11 Greece	96	93	93	92	97	95
12 Hungary	7	7	7	8	8	8
13 Ireland	282	266	280	262	211	200
14 Italy	270	296	279	298	312	310
15 Latvia	114	115	125	151	140	135
16 Lithuania	150	157	162	140	153	150
17 Luxembourg	0	0	0	0	0	0
18 Malta	1	1	1	1	1	1
19 Netherlands	464	526	522	549	433	475
20 Poland	223	180	192	156	123	115
21 Portugal	202	209	221	212	229	215
22 Romania	7	10	5	6	7	6
23 Slovakia	2	2	2	2	2	2
24 Slovenia	2	1	1	1	1	1
25 Spain	865	866	770	768	711	700
26 Sweden	295	287	270	256	269	270
27 United Kingdom	690	637	655	669	616	600
	6,338	5,901	5,873	5,631	5,314	5,261

Source: Eurostat, *provisional data, **FAS/The Hague estimates

Appendix 2: Volume, Aquaculture, EU countries, 1,000 MT

	2002	2003	2004	2005	2006*	2007**
1 Austria	2	2	2	2	3	2
2 Belgium	2	1	1	1	1	1
3 Bulgaria	2	4	2	3	3	3
4 Cyprus	2	2	2	2	4	3
5 Czech Republic	19	20	19	20	20	19
6 Denmark	32	38	43	39	28	25
7 Estonia	0	0	0	1	1	1
8 Finland	15	13	13	14	13	13
9 France	252	240	261	258	258	258
10 Germany	50	74	57	45	38	36
11 Greece	88	101	97	106	113	115
12 Hungary	12	12	13	14	15	14
13 Ireland	63	63	58	60	53	57
14 Italy	184	192	118	181	174	175
15 Latvia	0	1	1	1	1	1
16 Lithuania	2	2	3	2	2	2
17 Luxembourg						
18 Malta	1	1	1	1	7	5
19 Netherlands	54	67	76	68	41	40
20 Poland	33	35	35	37	36	36
21 Portugal	8	8	7	6	7	7
22 Romania	9	9	8	7	9	8
23 Slovakia	1	1	1	1	1	1
24 Slovenia	1	1	2	2	1	1
25 Spain	259	273	299	222	295	280
26 Sweden	6	6	6	6	8	7
27 United Kingdom	179	182	207	173	172	185
	1,274	1,346	1,330	1,270	1,301	1,293

Source: Eurostat, *provisional data, **FAS/The Hague estimates

Appendix 3: Consumption, EU member states, kilogram per capita

	2005
Austria	11
Belgium/Luxembourg	22
Bulgaria	5
Cyprus	25
Czech Republic	10
Denmark	24
Estonia	14
Finland	34
France	32
Germany	15
Greece	26
Hungary	5
Ireland	21
Italy	24
Latvia	37
Lithuania	17
Malta	30
Netherlands	15
Poland	12
Portugal	60
Romania	3
Slovakia	6
Slovenia	7
Spain	40
Sweden	28
United Kingdom	24
EU-27	22

Source: FAO, 2007

Appendix 4: EU imports, top 15 third countries, MT, 2002-2007

	2002	2003	2004	2005	2006	2007*
World	7,475,669	7,905,520	7,988,563	9,094,682	8,706,096	8,897,330
EU 27	3,443,323	3,578,532	3,662,392	4,564,619	3,793,442	3,870,099
1 Norway	701,796	756,598	735,552	735,788	794,312	833,058
2 China	141,763	229,004	272,364	348,961	448,667	481,382
3 Iceland	236,557	248,172	279,170	264,202	275,605	257,541
4 United States	231,859	215,657	267,378	254,938	256,677	275,328
5 Argentina	202,950	231,335	191,039	173,009	251,242	231,923
6 Thailand	147,933	168,189	159,139	177,916	214,733	227,193
7 Vietnam	32,037	45,936	66,882	105,831	194,862	256,204
8 Morocco	175,923	169,189	152,939	180,162	191,748	180,276
9 Ecuador	76,759	98,813	106,173	136,731	157,210	175,154
10 India	95,407	109,418	109,343	123,286	142,759	146,609
11 Russia	209,995	172,211	146,540	126,212	133,732	102,664
12 Chile	93,434	94,906	103,073	122,392	128,973	135,024
13 Greenland	94,191	100,494	106,112	113,517	117,606	112,716
14 Faroe Islands	139,677	143,637	126,037	119,571	102,362	94,347
15 Peru	60,695	61,323	77,718	89,019	101,816	121,077
Other	1,391,370	1,482,106	1,426,712	1,458,528	1,400,350	1,396,737
Total	4,032,346	4,326,988	4,326,171	4,530,063	4,912,654	5,027,232

Source: Global Trade Atlas, *FAS/The Hague estimates

Appendix 5: EU imports, top 15 third countries, USD, 2002-2007

	2002	2003	2004	2005	2006	2007*
World	22,090,191,946	26,247,757,907	28,946,284,283	32,114,709,334	36,504,812,775	40,500,117,904
EU 27	10,281,507,092	12,201,703,185	13,802,972,627	15,052,891,678	16,575,773,402	18,323,321,836
1 Norway	1,955,583,751	2,205,914,855	2,455,878,781	2,872,099,262	3,479,087,594	3,810,126,897
2 China	329,311,377	572,646,765	727,695,290	1,078,166,250	1,469,168,566	1,719,266,762
3 Iceland	869,026,632	1,010,415,034	1,167,904,124	1,235,344,041	1,356,399,408	1,496,493,482
4 United States	624,036,760	611,821,107	759,571,496	843,414,683	979,033,645	1,160,754,753
5 Morocco	616,734,909	727,701,285	704,170,092	823,085,611	920,570,954	988,702,600
6 Argentina	517,110,616	730,536,320	614,534,010	506,242,523	845,790,255	772,238,861
7 Thailand	367,178,675	418,794,659	454,700,517	537,296,103	700,396,746	884,531,220
8 Vietnam	95,619,090	150,090,515	235,432,660	394,604,578	685,748,627	893,915,730
9 Ecuador	238,694,397	315,721,838	362,407,612	506,001,366	645,069,943	763,997,351
10 Chile	285,433,534	319,528,418	400,009,767	522,873,028	621,288,281	692,674,455
11 India	291,021,674	392,400,394	394,858,844	455,354,568	590,446,650	678,672,460
12 Russia	495,764,113	449,267,738	399,949,300	433,540,221	540,768,181	500,703,583
13 Canada	302,995,586	371,121,865	414,979,639	450,337,570	481,664,317	585,326,832
14 Faroe Islands	411,081,768	463,994,613	456,163,695	418,088,956	419,378,331	458,021,683
15 Greenland	256.300.110	296.552.107	320.402.603	340.114.479	351.352.165	382.033.125
Other	4,152,791,862	5,009,547,209	5,274,653,226	5,645,254,417	5,842,875,710	6,389,336,274
Total	11,808,684,854	14,046,054,722	15,143,311,656	17,061,817,656	19,929,039,373	22,176,796,068

Source: Global Trade Atlas, *FAS/The Hague

Appendix 6: EU imports, top 10 commodities, MT, 2002-2007

Code	Commodity	2002	2003	2004	2005	2006	2007*
1 030420	Fish Fillets, Frozen	704,218	762,140	791,112	848,607	974,075	1,046,092
2 030613	Shrimps And Prawns, Including In Shell, Frozen	342,074	407,658	399,801	430,273	487,050	498,041
3 160414	Tunas/Skipjack/Bonito Prep/Pres Not Minced	391,331	432,904	427,165	459,393	474,459	482,175
4 030212	Salmon, Pac, Atl & Danube, With Bones, Fr Or Chill	255,955	299,351	306,654	325,005	341,798	405,278
5 030749	Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	241,985	273,791	281,340	301,150	282,667	271,158
6 030799	Molluscs Etc Nesoi, Frozen, Dri, Salted Or In Brin	110,304	115,241	111,481	137,553	200,119	184,349
7 030490	Fish Meat Nesoi, Exc Fish Steaks & Fillets, Froz	156,890	161,279	176,889	162,316	191,606	187,839
8 030379	Fish, Nesoi, With Bones, Frozen	158,898	163,738	155,097	150,402	186,958	155,845
9 030269	Fish, Nesoi, With Bones, Fresh Or Chilled	138,538	141,812	154,693	160,412	155,045	147,918
10 030410	Fish Fillets & Oth Meat Ex Fish Steaks Fresh/Child	73,708	88,438	113,743	122,122	115,645	126,052
	Other	1,458,445	1,480,636	1,408,196	1,432,830	1,503,232	1,522,485
	Total imports from 3rd countries	4,032,346	4,326,988	4,326,171	4,530,063	4,912,654	5,027,232

Source: Global Trade Atlas, *FAS/The Hague

Appendix 7: EU imports from the U.S., top 15 commodities, MT, 2002-2007

		2002	2003	2004	2005	2006	2007*
1 030420	Fish Fillets, Frozen	90,695	67,363	102,502	103,258	90,784	120,085
2 030490	Fish Meat Nesoi, Exc Fish Steaks & Fillets, Froz	32,979	32,712	36,616	31,932	30,356	30,518
3 030360	Cod Except Fillets, Livers And Roes, Frozen	12,052	16,295	18,146	24,814	28,099	34,307
4 030374	Mackerel Except Fillets, Livers And Roes, Frozen	4,383	15,386	21,466	14,402	20,084	7,018
5 160411	Salmon, Prepared Or Preserved, Whole Or Pieces	23,199	17,257	22,513	18,368	16,711	15,877
6 030319	Pacific Salmon, Nesoi, Excl Filet, Liver, Roe, Froz	14,486	15,444	15,602	14,891	16,605	13,324
7 030749	Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	12,141	7,683	10,086	9,791	9,999	7,111
8 030622	Lobsters, Live, Fresh, Ch, Dried, Saltd Or In Brine	6,383	6,380	7,040	7,274	8,456	8,269
9 030379	Fish, Nesoi, With Bones, Frozen	4,219	3,387	3,544	3,308	6,438	10,564
10 030729	Scallops Incl Queen, Frozen/Dried/Salted/In Brine	2,343	2,389	3,363	4,526	5,362	2,918
11 030311	Sockeye Salmon, Excl Fillet, Livers & Roes, Frozen	2,774	2,371	2,221	2,086	4,934	6,552
12 030721	Scallops Incl Queen Scallops, Live, Fresh, Chilled	240	394	866	1,128	2,157	2,807
13 030269	Fish, Nesoi, With Bones, Fresh Or Chilled	2,651	3,073	2,864	3,599	2,132	1,750
14 030562	Cod, Salted Or In Brine, Not Dried Or Smoked	3,665	3,874	5,152	2,965	2,123	2,152
15 030378	Whiting & Hake, Except Fillets, Liver, Roe, Frozen	933	416	392	513	1,479	1,243
	Other	18,716	21,233	15,005	12,083	10,958	10,833
	Total	231,859	215,657	267,378	254,938	256,677	275,328

Source: Global Trade Atlas, *FAS/The Hague